

**SUSANVILLE CITY COUNCIL  
SUSANVILLE COMMUNITY DEVELOPMENT AGENCY  
SUSANVILLE MUNICIPAL ENERGY CORPORATION  
SUSANVILLE PUBLIC FINANCING AUTHORITY**

**Regular Meeting Minutes  
September 2, 2015 – 6:00 p.m.**

**City Council Chambers 66 North Lassen Street Susanville CA 96130**

Meeting was called to order at 6:00 p.m. by Mayor Wilson.

Roll call of Councilmembers present: Kathie Garnier, Nicholas McBride, Rod E. De Boer, Lino P. Callegari and Brian R. Wilson.

Staff present: Jared G. Hancock, City Administrator; Jessica Ryan, City Attorney; and Gwenna MacDonald, City Clerk.

**1 APPROVAL OF AGENDA:**

Mr. Hancock requested the removal of Item 9C and Item 13E from the agenda.

Motion by Councilmember De Boer, second by Councilmember Garnier, to approve the agenda with the removal of Item 9C and 13E as requested; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**2 PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS:** No comments.

**3 CLOSED SESSION:** At 6:01 p.m. the Council recessed to Closed Session to discuss the following:

**A PUBLIC EMPLOYMENT – pursuant to Government Code §54957:**

1 Agency Negotiator: Jared G. Hancock  
Bargaining Unit: Administrative, Firefighters, Miscellaneous, Public Works, SPOA

2 Employee Status Report

**B CONFERENCE WITH REAL PROPERTY NEGOTIATORS – PURSUANT TO Government Code §54956.8:**

1 Property: Susanville Municipal Airport  
Agency negotiator: Jared G. Hancock  
Negotiating parties: City of Susanville: American Medflight  
Under negotiations: Price/Conditions/Terms of Lease/Agreement

Closed Session recessed at 6:59 p.m.

**4 RETURN TO OPEN SESSION:** At 7:07 p.m. the City Council reconvened in Open Session.

Staff present: Thomas Downing, Police Chief; Dan Newton, Public Works Director; James Moore, Fire Chief; Deborah Savage, Finance Manager and Gwenna MacDonald, City Clerk.

Mr. Hancock stated that prior to Closed Session the agenda was approved with the removal of Item 9C and 13E. In closed session the City Council gave direction but there was no reportable action.

Mr. Hancock provided the Thought of the Day.

The City Council presented certificates and longevity pins to employees to recognize years of service.

Chief Downing provided an update regarding the Active Shooter training conducted at the Lassen County High School. There were approximately 270 participants creating as realistic a scenario as possible. Chief Downing stated that the planning, execution and training debriefing position the community to be as prepared as possible for an event that everyone hopes will never be seen in Susanville. He presented a plaque of appreciation for the hard work and dedication of three individuals who made the event possible; Officers Nathaniel Horton and Terra Avilla, and Christi Meyer, Lassen Family Services.

**5**     **BUSINESS FROM THE FLOOR:** There were no public comments.

**6**     **CONSENT CALENDAR:** Mayor Wilson reviewed the items on the Consent Calendar:

- A     Receive and file minutes from the City Council's July 22, August 5 and 19, 2015 meetings
- B     Approve vendor warrants numbered 94864 through 95002 for a total of \$706,479.96 including \$111,688.25 in payroll warrants
- C     Receive and file Finance Reports: July 2015
- D     Receive and file Quarterly TOT Report

Mayor pro tem McBride requested the removal of Item 6D for separate discussion.

Motion by Councilmember Callegari, second by Mayor pro tem McBride, to approve Consent Calendar items 6A, 6B and 6C; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

Ms. Savage reviewed the quarter transient occupancy tax report, explaining that the increase of \$41,000 in revenue was a reflection of various factors including the warmer weather and lower gas prices that result in an increase in travel through the area.

Motion by Councilmember Garnier, second by Mayor pro tem McBride, to approve Consent Calendar Item 6D; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

**7**     **PUBLIC HEARINGS:**

**7A**     **Consider Resolution No. 15-5202 appeal of Planning Commission denial of Use Permit 15-009 request for installation of 20-foot free standing sign on Main Street** Mr. Sanders explained that as part of the development of the new Rite Aid store located at the northwest corner of Main and Ash streets Rite-Aid, the City received a request to allow the installation of a 20-foot tall free standing sign. The 20 foot height is 5 feet taller than the standard outlined in the Susanville Zoning Code for the C-2 zoning district. Exceptions to the sign code may be granted by use permit approved through the Planning Commission process, with the burden of proof being place on the applicant to show that adhering to the standards would create practical difficulties or hardships for the business. The hardship stated by the applicant is that the 15 foot sign will be less visible for traffic approaching the site from the west, moving eastbound on Main Street and that drivers will not have adequate time to make a decision to enter the site. The first entry point for eastbound vehicles requires a left turn onto Park Street and failure to make the Park Street turn requires vehicles to proceed to Ash Street, turn left, then turn left again on First Street and enter through the rear of the site. Another aspect of the request for the increased height is also placed on a topographical rise in Main Street west of the project site which they feel reduces visibility. There are other pre-existing signs in the vicinity which exceed the current height requirements including Grocery Outlet, Chevron, Knight's Inn and the existing free standing sign on the project site.

Staff reviewed the request and prepared an analysis of the time needed for an average driver to see the sign and prepare to turn into the site based upon vehicle speed, viewer reaction distance and time, and prepared findings for consideration by the Planning Commission. On July 9, 2015 the Planning Commission conducted a public hearing and concluded that a hardship did not exist which would justify an exception to the Zoning Code and denied the request. The applicant made a request to appeal the Planning Commission's decision to the City Council, and staff is also recommending to the City Council that a hardship does not exist which would be remedied by the installation of a 20 foot sign at the proposed location.

Councilmember Garnier asked if there would be a sign at the east side of the block.

Mr. Sanders responded that there would be a 15 foot sign at the corner of First and Ash Street.

Councilmember Garnier commented that vehicles traveling east on Main Street and attempting to turn left onto Park Street would have a difficult time making the turn lane if anyone traveling the opposite direction were turning left at the intersection of Alexander and Main Street.

Mr. Sanders responded that the project access points were dependent upon what would or would not be allowed by Caltrans, and explained that all of the new construction that had occurred on Main Street in the C-2 zone had been held to the 15 foot sign height restriction.

Mayor Wilson opened the public hearing at 7:19 p.m. and requested public comments.

**Jerry Powell**, project manager, stated that Mr. Sanders has been great to work with throughout the development process, however he has reached a different conclusion regarding the hardship presented to the Susanville Planning Commission. Rite Aid is a nationwide chain and the sign height is a standard height and with the signs in the immediate vicinity that exceed the 15 foot limit, it would not detract from the current appearance of signage already in existence at the intersection. The development will be a huge change for that section of main street, and the accessibility to the lot is already hindered by the Caltrans requirements, as they were not willing to accommodate any turn pockets or anything that would help improve the ease of traffic going through town to stop at the store. He requested the 20 foot sign height in order to take advantage of directing traffic to the site.

There being no further comments, Mayor Wilson closed the public hearing at 7:21 p.m.

Councilmember De Boer stated that he did not feel five feet made a significant difference and he would support the installation of a 20 foot sign.

Councilmember Callegari agreed, adding that it was important to remain business friendly, and while the local residents would learn how to access the site, visitors coming through town would not. Susanville relies heavily on tourism and traffic moving through the area and it is important for those people to be able to access the stores as well.

Councilmember Garnier commented that a lot of time had been put into consideration of the item by the Planning Commission, and it would set a precedence to allow installation of a taller sign.

Mayor pro tem McBride added that the Planning Commission has approved other variance requests and

the development is a big improvement to the community.

Motion by Councilmember Garnier, second by Mayor pro tem McBride, to grant the appeal and allow the construction of a 20 foot high sign.

**8** **COUNCIL DISCUSSION/ANNOUNCEMENTS:** None.

Commission/Committee Reports:

**9** **NEW BUSINESS:**

**9A Consider approval of Resolution No. 15-5203 accepting Volunteer Fire Assistance grant and authorizing Fire Chief to execute agreement** Chief Moore explained that the Susanville Fire Department's 2015 Volunteer Fire Assistance (VFA) application had been selected for a reimbursement grant in the amount of \$3,125.00 to assist the Department in training or to purchase equipment for the prevention or suppression of vegetation fires. Staff budgeted \$3,125 in the 2015/2016 fiscal year to purchase miscellaneous equipment and the grant will match that purchase at \$3,125, allowing the purchase of additional radios and equipment. The City must complete the Agreement with CalFire in order to accept the award.

Motion by Councilmember Callegari, second by Councilmember De Boer, to approve Resolution No. 15-5203; motion carried. Ayes: Garnier, De Boer, Callegari and Wilson. Abstain: McBride

**9B Consider approval of Resolution No. 15-5204 updating Federal Excess Personal Property Agreement** Chief Moore reported that in 2013 the City Council approved a Cooperative Agreement with the State of California Department of Forestry and Fire Protection for the loan of Federal Excess personal property to be used for the Susanville Fire Department. CalFire has requested an update of the five-year agreement to reflect the appointment of a new Fire Chief and all other terms and conditions of the agreement remain the same.

Motion by Councilmember Garnier, second by Councilmember De Boer, to approve Resolution No. 15-5204; motion carried. Ayes: Garnier, De Boer, Callegari and Wilson. Abstain: McBride

~~9C Consider approval of Accounts Receivable write-off~~

At 7:30 p.m. the City Council recessed to reconvene as the Susanville Public Financing Authority.

The meeting was called to order at 7:34 p.m. with a roll call of all members present.

**10** **SUSANVILLE COMMUNITY DEVELOPMENT AGENCY:**

**10A Resolution No. FA-15-11 authorizing the appointment of Officers** Mr. Hancock explained that the Susanville Public Financing Authority was established in 1990 as a legal joint powers entity between the City of Susanville and the Susanville Municipal Energy Corporation. The debt issued for the remodel of City Hall and the bonds issued for financing the natural gas system and water system are all issued through the Financing Authority. He explained that according to the bylaws it was necessary to update the appointment of a Chairman, Vice Chairman, Secretary, and Officers by the Board. Staff recommendations for the positions authorized by Resolution No. FA 15-11 were to appoint the Mayor, Mayor pro tem and City Clerk respectively as Chairman, Vice Chairman and Secretary of the Board, with the City Administrator appointed as Executive Officer.

Motion by Director De Boer, second by Director Garnier, to approve Resolution No. FA 15-11; motion carried by polled vote. Ayes: Garnier, McBride, De Boer and Wilson. No: Callegari.

Mr. Hancock telephoned Mr. Rudy Salo of Umpqua Bank who would be available via telephone conference call for any questions that may arise during the discussion.

**10B Resolution No. FA-15-12 authorizing the execution of certain financing documents with the City of Susanville and authorizing and directing certain actions with respect thereto** Mr. Hancock reported that at the request of the City Council, staff has been working with Umpqua Bank to issue \$1.2 million in financing with \$1.1 million being transferred to the Honey Lake Valley Recreation Authority (JPA) for the City's share of the construction cost for the new community pool. The City will be using the Facility Lease-Lease Back method for the loan financing. Under this method, the City and the Susanville Public Financing Authority (the "Authority") will enter into a Site Lease Agreement for use of the property at 1805 Main Street. The City agrees to lease the property to the Financing Authority who will assign the lease agreement to Umpqua Bank. The Bank will lease the property back to the City and the City will pay rent to the Bank. The City used this same method to finance the modernization of City Hall in 2002 and it is a fairly standard practice for government agencies, allowing the issuance of tax-exempt bonds and securing the most competitive interest rate. He explained that the total debt service cost, principal and interest over life of loan, would be \$1,736,376. Principal \$1.1 million, approximately \$536,376 in interest and approximately \$50,000 in loan closing costs with the remaining \$50,000 used for the first lease payment. Upon receiving the funds, the City will transfer \$1.1 million to the JPA. Mr. Hancock requested comments or questions from the Board.

Director Callegari objected to the concept and discussed the deficit numbers that had been presented during the 2015-2016 fiscal year budget workshop. He stressed that the City is obligated to provide police, fire, and public works services and that the remodel of City Hall was a necessary maintenance of a City Hall asset. A pool should have gone to a vote by the people, and it is outside the purview of what the City should be providing.

An unidentified audience member asked what the difference was between a pool and the Golf Course or Airport.

Councilmember Callegari responded that there was no difference, and that more people needed to be in attendance to share their viewpoint.

Kurt Bonham stated that he was concerned with the City's deficit as discussed during the budget workshop in June, and he protested the lack of opportunity to review an attachment that had been provided at the meeting. He discussed the need for an operation plan to keep the project from increasing in scope and price the way the natural gas project had. He stressed the need to go back to the people and to develop a cost plan and make sure that there were reasonable assurances that the City could afford to proceed.

Chairperson Wilson asked where the City was on the final budget deficit for fiscal year 2015-2016.

Ms. Savage responded that the final number was \$43,000.

Chairperson Wilson asked if additional revenues had been received since the Council approved the budget in June.

Mr. Hancock replied that the City entered into a professional services agreement with Inter Regional Water Management, had received a dividend check from SCORE, and staff continually focuses on a conservative budget approach, with the cash report indicating the City continues to increase reserves every year.

Director Callegari stated that the General Fund has subsidized the Golf Course and Airport Enterprises, and the City should not proceed with acquiring more debt. He added that he talks to a lot of people who are not in favor of a pool.

Chairperson Wilson commented that everyone he speaks with is one hundred percent behind the City moving forward with the pool, and the dollar amount represents five percent of the City budget, and the proposal saves money through a reduction in the annual contribution and favorable interest rates.

There was general discussion regarding the pros and cons of the pool project and community support for a tax measure.

Vice Chairperson McBride stated that at the budget workshop every year the Council has an opportunity to discuss budget needs directly with the department heads and he is confident that the needs of the city's departments are being met. When he ran for office he did a lot of door to door campaigning and the one thing people talked about most often was wanting a swimming pool back in the community.

Motion by Vice Chairperson McBride, second by Director Garnier, to approve Resolution No. FA 15-12; motion carried by polled vote. Ayes: Garnier, McBride, and Wilson. No: De Boer and Callegari.

Director De Boer stated that he respected and supported the concept of a community swimming pool however he would have preferred taking it to the people for a vote.

Motion by Director Callegari, second by Vice Chairperson McBride, to adjourn the meeting of the Susanville Public Financing Authority and reconvene as the Susanville City Council; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

Meeting adjourned at 8:17 p.m. and the City Council reconvened at 8:18 p.m.

**11      SUSANVILLE MUNICIPAL ENERGY CORPORATION:** No business.

Mr. Hancock suggested the Council consider Item 12B prior to Item 12A.

**12      CONTINUING BUSINESS:**

**12B      Consider approval of Resolution No. 15-5205 authorizing the City to enter into a loan and financing plan for construction of a Community Swimming Pool** Mr. Hancock stated that the action taken by the Susanville Public Financing Authority required a corresponding action by the City Council to consider approval of the Facility Lease-Lease Back method for financing a loan for the construction costs of the new community pool. The issuance by Umpqua Bank of \$1.2 million in financing with \$1.1 million being transferred to the Honey Lake Valley Recreation Authority (JPA) for the City's share of the construction cost for the new community pool. Would reduce the City's annual contribution to the JPA from \$200,000 to \$80,000.

There were no questions or discussion.

Motion by Mayor pro tem McBride, second by Councilmember Garnier, to approve Resolution No. 15-5205; motion carried by polled vote. Ayes: Garnier, McBride and Wilson. No: De Boer and Callegari.

**12A Consider approval of Resolution No. 15-5201 awarding contract for STIP projects to Dyer Engineering Consultants** Mr. Newton explained that the STIP Project 'FC' for overlay of certain streets was conceptualized several years ago to improve ride-ability and reduce annual maintenance costs. To complete the construction, the City first has to provide cultural studies in order to complete the environmental document and since the project will utilize federal funds both California Environmental Quality Act and National Environmental Policy Act documents are required. Cultural studies are a highly specialized task so a Request for Proposals (RFP) was prepared to secure these professional services. On June 23, 2015, staff released a request for proposals (RFP) for environmental consulting and design services. On July 17, 2015, two proposals were received from Dyer Engineering Consultants, Inc. and Remedy Engineering, LLC. The proposals were evaluated by multiple staff members using the criteria and weighting described in the RFP. Remedy Engineering's proposal was complete and scored more favorably, but staff was unable to negotiate a contract that was less than that allowed under the program funding. Both firms received favorable ratings from the review team and the team remains very comfortable moving forward with Dyer despite the overall higher scoring for Remedy. The results of the evaluations were consistent in that Dyer Engineering Consultants was determined to be the most responsive firm that is capable of completing the work successfully.

Mayor Wilson asked if Remedy Engineering was aware of the project budget.

Mr. Newton responded that the process required discourages using costs as the sole criteria, and the project budget is not published as part of the RFP. The Federal Government has determined that other criteria such as ability, qualifications and completion of similar projects are more heavily weighted than cost.

Motion by Councilmember Callegari, second by Councilmember De Boer, to approve Resolution No. 15-5201; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

### **13 CITY ADMINISTRATOR'S REPORTS:**

**13A Natural Gas Report: July 2015** Ms. Savage reviewed the monthly report of gas therms sold, revenues, cash balance, total customers and heating degree days for the City's natural gas utility. Ms. Savage added that the fund is doing very well in spite of the warmer than normal winter of 2014-2015.

**13B Golf Course Update: July 2015** Ms. Savage reviewed the monthly report of revenues, expenses and cash balances for the Golf Course for July 2015. The expenditures were up due to pump maintenance, resulting in a corresponding drop in cash balance. The round played are up, the pro shop and restaurant are doing well, and the change in 2014-2015 figures were the result of a few late invoices coming in.

Councilmember Callegari asked how the water was holding up.

Mr. Hancock explained that the well feeds both irrigation ponds, and the expense for replacing the pump motor and resulting re-configuration has improved the irrigation. They continue to work on sprinkler patterns, over-seeding, and have met with a greens expert to address some of the irregularity in green condition that was an issue last year.

**13C Water Conservation Update** Mr. Newton reported that emergency water regulations established by Ordinance No. 15-1003 and mandated by the State Water Resources Control Board have been actively enforced beginning June 1, 2015. Staff has been observing violations of any of the regulations and responding according to enforcement provisions in the ordinance, and have placed 110 violation notices as door hangars, written four follow up letters and issued zero citations. In addition staff have distributed 144 low flow shower heads. For the month of July, the City achieved a 32.5 percent conservation rate in potable water usage compared to June 2013. The target was a 50 percent reduction during the summer months for an overall reduction of 36 percent.

Councilmember Garnier asked if schools and parks were in compliance. There was a general discussion regarding conservation efforts and cooperation throughout the City.

**13D ISO and Assistance to Firefighters Grant Update** Chief Moore reported that the \$250,000 AFG Grant received by the Department was used to purchase equipment, fit the equipment to the employees and train on the appropriate use. There is approximately \$55,000 remaining and the Department will be submitting a request to purchase additional equipment in 2016.

Chief Moore continued by explaining that the ISO rating is reviewed and updated every ten years, and the recent inspection has resulted in an increase of the City of Susanville's ISO rating to a 3. Out of 50,000 fire agencies nationwide, only 2,300 agencies are rated at 3. The City very narrowly missed achieving a rating of 2, which is only given to approximately 900 agencies nationwide, and he would be calling the rating agency to discuss efforts that might result in an improved rating. The 3 rating was due in part to the dispatch services currently utilized by the Department.

**14 COUNCIL ITEMS:**

**14A AB1234 travel reports:**

A AB1234 travel reports:

Councilmember Callegari provided an update regarding his recent attendance at the 2015 Annual ACCAP conference.

**15 ADJOURNMENT:**

Motion by Councilmember De Boer, second by Councilmember Callegari to adjourn; motion carried unanimously. Ayes: Garnier, McBride, De Boer, Callegari and Wilson.

Meeting adjourned at 8:44 p.m.

Respectfully submitted by

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Brian R. Wilson, Mayor

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Gwenna MacDonald, City Clerk

*Approved on: October 21, 2015*